



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

SB3571

Introduced 2/14/2014, by Sen. William R. Haine

#### SYNOPSIS AS INTRODUCED:

765 ILCS 530/2	from Ch. 96 1/2, par. 9652
765 ILCS 530/3	from Ch. 96 1/2, par. 9653
765 ILCS 530/8 new	

Amends the Drilling Operations Act. Defines "Department" and "oil country tubular goods". Provides that the operator of each oil or gas well shall annually file with the Department a disclosure form that identifies the country of origin for each country tubular good that is initially used in a production operation. Further provides that the Department, in consultation with representatives from the natural gas, oil, and steel industries, shall by rule provide for the content of the disclosure form as well as the manner in which it shall be filed. Provides that the information collected from the disclosure forms shall be used by the Department to establish a quality oil and gas infrastructure catalog for the State and that the reporting requirements shall apply to each oil or gas well for which an operator holds a permit. Effective immediately.

LRB098 20148 ZMM 55464 b

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Drilling Operations Act is amended by  
5 changing Sections 2 and 3 and by adding Section 8 as follows:

6 (765 ILCS 530/2) (from Ch. 96 1/2, par. 9652)

7 Sec. 2. As used in this Act:

8 (a) "Person" means any natural person, corporation, firm,  
9 partnership, venture, receiver, trustee, executor,  
10 administrator, guardian, fiduciary or other representative of  
11 any kind and includes any government or any political  
12 subdivision or agency thereof;

13 (b) "Drilling operations" means the drilling, deepening or  
14 conversion of a well for oil or gas production, core hole or  
15 drill hole for a stratigraphic test;

16 (c) "Entry" means the moving upon the surface of land with  
17 equipment to commence drilling operations, but shall not  
18 include entry for the survey for or ascertaining or  
19 identification of a well location;

20 (d) "Operator" means the person, whether the owner or not,  
21 who applies for or holds a permit for drilling operations or  
22 who is named as the principal on a bond for a permit for a well  
23 that was issued by the Department of Natural Resources;

1 (e) "Surface owner" means the person in whose name the  
2 surface of the land on which drilling operations are  
3 contemplated, and who is assessed for purposes of taxes imposed  
4 pursuant to the Property Tax Code according to the records of  
5 the assessor of the county where the land is located as  
6 certified by said assessor;

7 (f) "Assessor" means the supervisor of assessments, board  
8 of assessors, or county assessor, as the case may be, for the  
9 county in which the land is located;

10 (g) "Production operation" means the operation of a well  
11 for the production of oil, gas, and coalbed methane, including  
12 all acts, structures, equipment, and roadways necessary for  
13 such operation;

14 (h) "New well" means a well that is spudded after the  
15 effective date of this Act and does not utilize any part of a  
16 well bore or drilling location that existed prior to the  
17 effective date of this Act;

18 (i) "Completion of the well" means completion of those  
19 processes necessary before production occurs, including the  
20 laying of flow lines and the construction of the tank battery.  
21 If the well is not productive, the date of completion of the  
22 well is the day it is plugged and abandoned.

23 (j) "Department" means the Department of Natural  
24 Resources.

25 (k) "Oil country tubular goods" means seamless or welded  
26 steel pipes that are used in drilling operations and production

1 operations for oil or natural gas, including, but not limited  
2 to, casing, tubing, and drill pipe, whether finished or  
3 unfinished, as well as couplings, drill collars, and other  
4 fittings used with the pipes.

5 (Source: P.A. 95-830, eff. 8-14-08.)

6 (765 ILCS 530/3) (from Ch. 96 1/2, par. 9653)

7 Sec. 3. Except as otherwise provided in paragraph (c) of  
8 Section 6 and in Section 8, this ~~This~~ Act shall be applicable  
9 only for the drilling operations of new wells ~~except as~~  
10 ~~explicitly provided in paragraph (c) of Section 6.~~ It shall not  
11 apply for reworking operations on a well.

12 This Act shall be applicable only when the surface owner  
13 has not consented in writing to the drilling operations and:

14 (A) there has been a complete severance of the  
15 ownership of the oil, gas, and coalbed methane from the  
16 ownership of the surface, or

17 (B) where the surface owner owns an interest in the  
18 oil, gas, and coalbed methane, which interest is the  
19 subject of either:

20 (1) An integration proceeding brought pursuant to  
21 "An Act in relation to oil, gas, coal, and other  
22 surface and underground resources and to repeal an Act  
23 herein named", approved July 24, 1945, as amended, or

24 (2) A proceeding brought pursuant to "An Act in  
25 relation to oil and gas interest in land", approved

1 July 1, 1939, as amended.

2 (Source: P.A. 95-830, eff. 8-14-08.)

3 (765 ILCS 530/8 new)

4 Sec. 8. Country of origin disclosure.

5 (a) The operator of each oil or gas well shall file with  
6 the Department the disclosure form required under this Section,  
7 identifying the country of origin, unless that country cannot  
8 be determined, for each oil country tubular good that is  
9 initially used in a production operation on or after the  
10 effective date of this amendatory Act of the 98th General  
11 Assembly. The operator shall file the disclosure form annually.

12 (b) In consultation with representatives from the natural  
13 gas, oil, and steel industries, the Department shall by rule  
14 provide for a disclosure form, together with the annual date by  
15 which the form must be filed, the information required to be  
16 provided on the form, and the manner of filing with the  
17 Department.

18 (c) The information collected from the disclosure forms  
19 shall be used by the Department to establish a quality oil and  
20 gas infrastructure catalog for the State.

21 (d) The reporting requirements of this Section shall apply  
22 to each oil or gas well for which the operator holds a permit.

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law.